



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-6190-N-01]

Notice of Intent to Close Reno Field Office

AGENCY: Office of Field Policy and Management, HUD.

ACTION: Notice.

SUMMARY: This notice advises the public that HUD intends to close the Reno, NV field office. HUD is providing this notice.

FOR FURTHER INFORMATION CONTACT: Michael Lawyer, Deputy Director of Operations, Office of Field Policy and Management, Department of Housing and Urban Development, 451 Seventh Street S.W., Room 7108, Washington, DC 20410; telephone number 317-957-7318 (This is not a toll-free number). Persons with hearing or speech impairment may contact this number via TTY by calling the toll-free Federal Relay Service at 800-877-8339.

SUPPLEMENTARY INFORMATION: In accordance with the Federal Property Management Reform Act of 2016 (40 U.S.C. 524), HUD is publishing this notice to provide notice of its intent to close its unoccupied Reno, NV field office. The Act requires executive departments and agencies to assess leased space to identify space that is not fully used or occupied, establish goals and policies that will lead the agency to reduce excess property and underutilized property, and to transfer and dispose of excess property as promptly as possible in accordance with the agency's delegated authority and applicable regulations.

Based upon Section 7(p) of the Housing and Urban Development Act (42 U.S.C. 3535p), a plan for the reorganization of any regional, area, insuring, or other field office of the Department of Housing and Urban Development may take effect only upon the expiration of 90 days after

publication in the Federal Register with a cost-benefit analysis of the plan for each affected office. Such cost-benefit analysis shall include, but not be limited to—(1) An estimate of cost savings supported by background information detailing the source and substantiating the amount of the savings; (2) an estimate of the additional cost which will result from the reorganization; (3) a study of the impact on the local economy; and (4) an estimate of the effect of the reorganization on the availability, accessibility, and quality of services provided for recipients of those services. Where any of the above factors cannot be quantified, the Secretary shall provide a statement on the nature and extent of those factors in the cost-benefit analysis.

Cost Benefit Analysis

A. Background

HUD's current field structure, consisting of 65 regional and field offices covering 50 states, the District of Columbia, Guam, and Puerto Rico, is built on the structure of the former Federal Housing Administration (FHA), which had insuring offices throughout the country. As the agency evolved into a cabinet department (1968) its program portfolio grew and staffing levels rose to more than 18,000 in 1973. As a result of legislative action HUD's program portfolio has continued to increase in size, complexity and scope, while its staffing has gradually been reduced by almost two-thirds, to under 7,000.

HUD's existing field office structure is decades old. Advances in technology have made it possible and more cost effective to manage our workload in a more centralized fashion. A set of 16 small offices were successfully closed in Fiscal Year 2014, demonstrating that HUD could continue to deliver services nationwide from a smaller footprint. Closing the Reno, NV Field Office, which has no staff, will achieve operational savings.

The closure of this field office will save money while still ensuring that HUD can effectively respond rapidly to the ever-evolving mission and the budget challenges of today and tomorrow. Leveraging technology has allowed HUD to substantially reduce its footprint and costs while not significantly affecting the delivery of its services.

B. Description of Proposed Changes

One (1) field office in Reno, NV will be closed. There are no staff remaining in that office to be impacted. This action will allow the Department to align resources to more effectively support program operations and reduce operational cost, while maintaining effective program delivery in the state of Nevada from the Las Vegas Field Office.

The proposed changes are expected to produce ongoing cost savings and make more efficient use of real property assets.

(1) Estimate of Cost Savings

The closure of the Reno, NV field office will eliminate the cost of office space leases and administrative costs, including transit, mail, copiers, and telephones, totaling \$101,000 annually. The lease cost is based upon HUD's occupancy agreement with General Services Administration (GSA).

(2) Estimate of the Additional Cost

Implementation costs of approximately \$15,000 are expected in closing the office; thus, the projected total annual savings will be gained beginning in Fiscal Year 2021 and every year thereafter.

a. One-Time Costs

One-time costs for space alterations, security and move out expenses are projected to cost \$15,000. There are no early lease termination fees for this office. There are no remaining

employees in this office, and therefore there are no additional buyout, personal relocation, severance, or unemployment costs.

b. Reoccurring Costs

Program delivery to the affected jurisdiction is already managed by program staff in the Las Vegas Field Office, the San Francisco Regional Office, and other HUD field offices. Minimal additional travel costs will be incurred by limited staff travel to the affected jurisdictions to ensure ongoing coordination of program delivery and customer service.

(3) Study of the Impact on the Local Economy

Any impact on the Reno economy in terms of housing, schools, public services, taxes, employment and traffic congestion will be negligible. The office closure should not disrupt the service delivery currently provided to the community.

(4) Estimate of the Effect of the Reorganization

HUD products and services provided to the communities in the affected jurisdictions are currently managed remotely from larger HUD offices, primarily the Las Vegas Field Office, the San Francisco Regional Office, and other HUD field offices, and this will continue to be the case.

Based on the time necessary for office closure, and moveout costs, the closure of the Reno Office will result in minor savings of approximately \$10,000 in Fiscal Year 2020. The closure will not introduce new recurring costs, and therefore the full savings of \$101,000 per annum is expected in Fiscal Year 2021 and each year thereafter.

Dated: November 19, 2019.

Benjamin DeMarzo,
Assistant Deputy Secretary
for Field Policy and Management.

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